

CHAPTER 9

FINANCIAL MANAGEMENT

9000 INTRODUCTION

Financial resource constraints require prudent financial management at all levels. Each person in the chain of command must evaluate the benefits to be derived from each fund expenditure and ensure the best interests of unit readiness are kept foremost in the evaluation process. This chapter provides policy to ensure funds are controlled and used consistently throughout MOMAG and that such controls and uses are consistent with the directives of higher authority.

9001 SOURCE OF FUNDS

COMINEWARCOM uses two principal sources of funds to support MOMAG, a sub-allocation issued by COMNAVSEASYS COM PMS-490 for mine maintenance (maint) and direct funds from CINCLANTFLT for administration and support (admin). Annual planning figures are established and funds are granted on a fiscal year basis with an obligation ceiling established for each quarter. Obligation authority for the majority of these funds is further delegated to units/detachment in the form of an operating target (OPTAR) via the Funds Administration and Standardized Document Automation (FASTDATA) system.

9002 COMINEWARCOM RESPONSIBILITIES

COMINEWARCOM is legally responsible for the proper expenditure of funds. Two principal legal statutes are:

1. 31 U.S. Code 1517. This deals with irregularities in funds administration and states that when operating budgets (TYCOM level) are over-obligated, the individual personally responsible for the violation should be identified, and, if warranted, punished.
2. 31 U.S. Code 1301. A violation of this statute occurs when funds are spent on items other than for which the funds were appropriated. When this violation occurs, the financial records must be corrected and such action may result in violation of U.S. Code 1517.

9003 COMOMAG RESPONSIBILITIES

COMOMAG is responsible to COMINEWARCOM for the distribution and proper management of funds. Accordingly, COMOMAG must be aware of unit/detachment requirements and management effectiveness, ensure consistent application of published policy and procedures for financial management, and take action as necessary to keep

14 Aug 02

COMINEWARCOM fully informed of the readiness of subordinate units/detachment as affected by funding policies and grants.

9004 COMMANDING OFFICER/OFFICER-IN-CHARGE RESPONSIBILITIES

1. Commanding Officers/Officers-in-Charge are responsible for the proper use of funds allocated to their units/detachment. Proper use of funds requires that expenditures be consistent with the objective of maximizing readiness. Commanding Officers/Officers-in-Charge must ensure they do not over-obligate assigned funds.

2. Rarely will the funding authorization be enough to finance all requirements submitted by a unit/detachment. Accordingly, this instruction establishes priorities for use of available funds to ensure expenditures are approved to sustain the unit/detachment's mission capability. These budgetary priorities must be adhered to in order to ensure sound financial management. Failure to do so could impact material readiness. In carrying out responsibilities for sound financial management, the Commanding Officer/Officer-in-Charge must:

a. Establish and execute a sound annual financial management plan for accomplishing the mission at the most economical cost.

b. Prevent over-obligation of assigned funds.

c. Prevent improper use of funds.

d. Prevent wasteful spending by close adherence to established policies for fund expenditure and by careful review of internal budget reports to ensure spending is according to plan.

e. Review and identify significant material deficiencies and unfunded requirements throughout the unit/detachment, reporting such deficiencies/requirements by appropriate means.

f. Personally approve obligation documents for equipment supplies which are in excess of \$500, excluding even COG MBOM/COSAL material.

g. Consolidate custody and management of repair parts and consumable inventories under the Supply Department to the maximum extent feasible.

h. Ensure all fund recoupments are performed. Several dollars can be gained for command use by following through with these transactions.

i. Promptly report to COMOMAG circumstances indicating significant funding deficiencies affecting operational readiness.

9005 SUPPLY DEPARTMENT HEAD RESPONSIBILITIES

14 Aug 02

The Supply Department is responsible to the Commanding Officer/Officer-in-Charge for the proper performance and administration of the Supply Department. The Supply Department Head must have a thorough understanding of COMOMAG financial management policy, effectively communicate that policy to the Commanding Officer/Officer-in-Charge and department heads, and closely monitor execution of the budget plan.

9006 PRIORITIES FOR THE OBLIGATION OF FUNDS

Commanding Officers/Officers-in-Charge will obligate funds in the following order of precedence:

1. Administration and support (admin) funds:
 - a. Life saving and personnel safety items
 - b. Required services, i.e., electricity, water, vehicles, etc.
 - c. Required general use consumables
 - d. Equipage (not included above) to fill allowance or replace surveyed equipage
 - e. Self-help habitability improvement projects
2. Mine maintenance (maint) funds:
 - a. Direct Turn-Over (DTO) repair parts
 - b. Storeroom replenishment - DLRS
 - c. Storeroom replenishment - other
 - d. General Purpose Electronic Test Equipment (GPETE)

9100 COST CODE ACCOUNTING

Cost accounting is a system of accounting analysis and reporting on costs of production of goods or services, or of operation of programs, activities, functions or organizational units. Cost accounting provides a uniform system of accumulating and reporting accounting information and enables historical data to be compiled for projection of future requirements.

1. The cost code is contained in the last 12 digits of the accounting spread and is comprised of the job order number (JON) and the expense element. Figure 9-1 illustrates a complete cost code breakdown.

a. Job Order Number (JON). Job order numbers provide a means to accumulate costs within a fiscal year for services or materials purchased for specific purposes. Job order numbers track expenditures for cost analysis and allow for charging the proper appropriation, allotment, and activity unit identification code (UIC). JONs are preset by COMOMAG in the FASTDATA system at the beginning of each fiscal year. The JON is composed of the following:

(1) Activity UIC. Table 9-1 lists applicable UIC for MOMAG units/detachment.

(2) Last digit of fiscal year (e.g., 2 for FY02).

(3) Expense Code (EC). Table 9-2 lists applicable Expense Codes for MOMAG units/detachment.

(4) Unit Code (UC). Table 9-1 lists applicable unit codes for MOMAG units/detachment.

(5) Type Code (TC). COMOMAG Supply Officer assigns type codes annually. Current type codes are listed in Tables A-1 and A-2 of Appendix A.

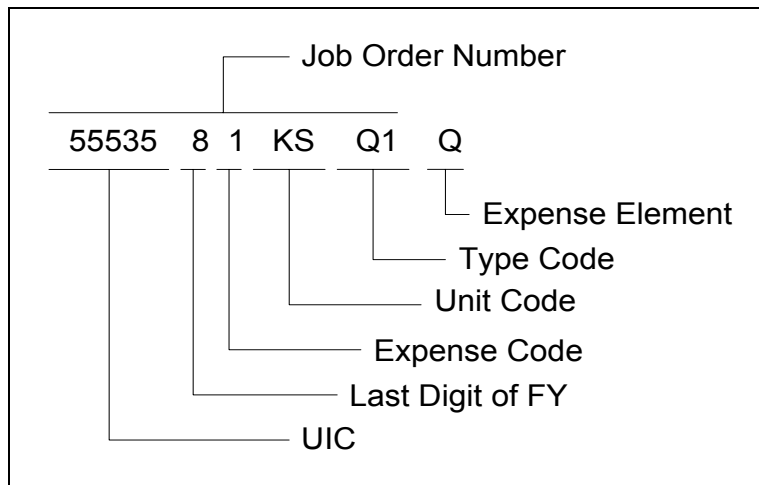


Figure 9-1. Cost Code Composition

Table 9-1. Activity Unit Identification Codes (UICs)
and Unit Codes

| | | ADMIN FUNDS | MAINT FUNDS |
|--|--|-------------|-------------|
|--|--|-------------|-------------|

14 Aug 02

| UNIT/ DETACHMENT | UIC | UNIT CODE | UNIT CODE |
|---------------------|-------|-----------|-----------|
| ONE | 30129 | K1 | M1 |
| FIVE | 52778 | K5 | M5 |
| EIGHT | 53849 | K8 | M8 |
| TEN | 53853 | KA | MA |
| ELEVEN | 54000 | KB | MB |
| TWELVE | 46592 | KC | MC |
| FIFTEEN | 55642 | KF | MF |
| STAFF | 55535 | KS | MS |

Table 9-2. Expense Codes

| EXPENSE CODE | DESCRIPTION |
|-----------------|----------------------------------|
| 1 | OPTAR Mission Operations |
| 2 | OPTAR Base Operations |
| 3 | OPTAR Real Property |
| 4 | OPTAR Travel |
| 5 | Mine Maintenance Travel |
| 6 | Mine Maintenance Direct Overhead |
| 7 | Mine Maintenance Direct Cost |

b. Expense Element (EE). The expense element is a single-digit, alphabet code that identifies the functional category of the expense incurred. Table 9-3 summarizes the Expense Elements to be used by MOMAG units/detachment.

2. Tables A-1 and A-2 in Appendix A provide a complete breakdown of current cost codes to be utilized by MOMAG units/detachment.

3. It is imperative that accurate cost codes be used for all financial transactions. The cost code is the key element in allowing the extraction of expenditure data by unit/detachment and by type. Out-year budgets are based largely upon historical data provided by cost code analysis. Erroneous cost code data will contribute directly to inaccuracies in out-year budgets.

Table 9-3. Expense Elements

| EXPENSE ELEMENT | DESCRIPTION | REMARKS |
|--------------------|-------------|--|
| | | Includes transportation expenses such as commercial transportation |

14 Aug 02

| | | |
|---|---------------------------------|---|
| E | Travel of Personnel | charges, rental of passenger carrying vehicles, mileage allowance and tolls, per diem for travelers and incidental travel expenses. |
| J | Transportation of Things | Includes cost of transportation of things when inland shipment is via rail, truck or other inland transportation. |
| M | Utilities and Rent | Includes the cost of heat, power, water, gas, electricity and other utility services except transportation and communications services. Includes the cost of rents of land, structures and equipment (other than transportation equipment). Drinking water is not part of this expense element. |
| N | Communications | Includes charges for the transmission of messages from place to place, contractual telephone and teletype service, postage (other than parcel post), rental of post office boxes and telephone installation charges. |
| P | Purchased Equipment Maintenance | Includes cost of rework and repair of equipment, vehicles and tanks when purchase from commercial sources or organizations outside the Department of Defense. |
| Q | Other Purchased Services | Includes charges for contractual services <u>not otherwise classified</u> , including charges for services purchased from the private sector, DOD or other Federal agencies. To be used only when no other expense element can be justified. |
| T | Supplies | Includes charges for commodities whether acquired by requisition, formal contract or other form of purchase which are <u>ordinarily consumed or expended within 1 year after they are put into use</u> , which are converted in the process of manufacture or construction or which are used to form a minor part of equipment of fixed property. Also includes cost of O&M funded items of equipment having a useful life of less than 1 year. |
| W | Equipment | Includes equipment that normally may be expected to have a period of service of a year or more. Includes charges for services in connection with initial installation of equipment when performed under contract. Includes Plant Property classes 3 and 4 and minor property with a unit cost of less than \$5,000. |
| Y | Printing and Reproduction | Includes the cost of contractual printing and reproduction work, blueprinting, photography, microfilming and engraving. |

9110 FASTDATA FINANCIAL FRAMEWORK

1. The FASTDATA system provides the ability to track and categorize expenditures through establishment of a funds hierarchy. The funds hierarchy consists of OPTARs, authorizations and job order numbers (JONs). Figure 9-2 depicts the FASTDATA funding hierarchy.

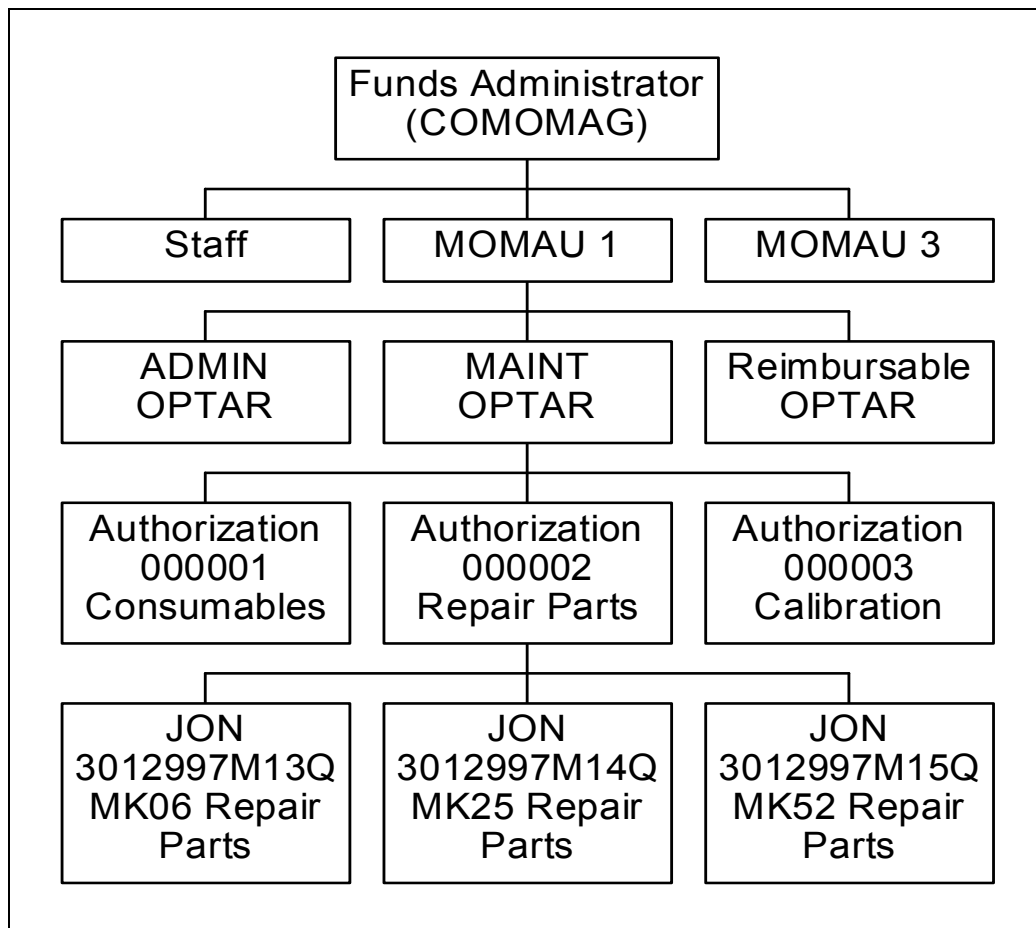


Figure 9-2. FASTDATA Funding Hierarchy

a. OPTAR. An operating target (OPTAR) is funding issued by COMOMAG to a unit/detachment to manage procurement of materials or services. Each unit/detachment is assigned at least two OPTARs, mine maintenance (maint) and administration and support (admin). The maint and admin OPTAR codes for each unit/detachment are summarized in Table 9-4. Additional OPTARs may also be assigned for additional reimbursable funds specific to a particular site, e.g., COMNAVAIRPAC, CINCUSNAVEUR, etc. For a unit/detachment, the OPTAR is the highest level at which funds are summarized in FASTDATA.

14 Aug 02

b. Authorization. Authorizations reflect the planned amount for a particular purpose or the amount of funds allocated to an OPTAR holder to accommodate a particular budget requirement (line item). Authorizations are established for labor or non-labor purposes. An OPTAR may have several authorizations.

c. Job Order Number (JON). Job order numbers provide for the accumulation of costs within a fiscal year. Each JON will reflect the cost of materials or services incurred on individual transactions (documents) for a particular purpose. An authorization may have several JONs.

2. Tables A-1 and A-2 in Appendix A provide a detailed breakdown of current FASTDATA authorizations and job order numbers, including the proper use of each.

Table 9-4. OPTAR Codes

| SITE | OPTAR CODE | |
|---------|------------|-------|
| | ADMIN | MAINT |
| ONE | 1O | 1M |
| FIVE | 5O | 5M |
| EIGHT | 8O | 8M |
| TEN | AO | AM |
| ELEVEN | BO | BM |
| TWELVE | CO | CM |
| FIFTEEN | FO | FM |
| STAFF | OO | OM |

9200 FINANCIAL MANAGEMENT PLANNING

1. An Annual Financial Management Plan (AFMP) is a financial management tool used to determine and document requirements at the unit/detachment level and communicate those requirements to COMOMAG for budgeting purposes. The AFMP should follow the example of figure 9-3 and be submitted as outlined in the Supply Annual Planner that is distributed the first of each fiscal year.

2. An effective and realistic AFMP is essential for efficient execution of an OPTAR. The plan must be dynamic and sensitive to the operational mission of the unit/detachment and should ensure funds are available for material readiness. Participation of the Commanding Officer/Officer-in-Charge, Executive Officer/Senior Enlisted Advisor and all department heads in developing and adhering to the AFMP is essential. AFMPs are mandatory for all units/detachment. Units/detachment will develop the AFMP based on assigned funding levels. The following paragraphs provide guidance for developing an effective AFMP.

14 Aug 02

9201 AFMP DEVELOPMENT

1. Goals. A sound financial management plan is necessary to achieve the following goals:

a. Derive maximum benefit from available funds for mission and material readiness.

b. Ensure unfunded requirements are less urgent than funded requirements.

c. Properly time-phase funds to meet operational scheduled requirements.

d. Maintain prescribed stock levels.

e. Ensure funds are available to meet contingency requirements.

f. Program funds for routine replacement of equipage and consumables.

g. Instill fiscal responsibility in all managers.

2. Concept. Cost consciousness and conservation are key factors in financial planning and management. All personnel must be cognizant of the impact of their actions on available funds. Accordingly, the financial planning and management system should be a participatory system, with the Commanding Officer/Officer-in-Charge, Executive Officer, and all department heads. An AFMP must consider principal evolutions scheduled for the fiscal year. The AFMP must be somewhat rigid yet dynamic if it is to meet its objectives. Requirements must be continually reviewed and the plan updated no less than once per quarter to compensate for unforeseen or changing circumstances. Unrealistic dollar values takes away from the credibility of the input.

3. Once formulated, unit/detachment AFMPs provide a mechanism for monitoring financial execution. Timely information from sites is needed to permit proper monitoring. Units/detachment are required to report and justify major deviations so the plan will remain a current, viable management and control mechanism.

4. The following is a suggested approach for developing the unit/detachment AFMP. Following receipt of the COMOMAG budget call, a unit/detachment budget call should be issued requesting specific budget information and defining command policies, procedures, and goals.

14 Aug 02

a. Determine resources. Identify the nature, amount, and timing of the funds for the fiscal year. Use historical data to do so. Summarize this information in the budget call to the departments.

b. Determine major schedule milestones. Over the fiscal year, identify graphically major operational events and inspections which will impact on funding, including major fleet exercises, MRCI, ADMAT, OSHA, ESI, etc. Determine estimated costs associated with these events and determine when the funds will be required. Include major event data in the budget call.

c. Determine tentative budget line item funding targets. Determine these targets based on the total expected funding (which will be projected in the COMOMAG budget call) and historical data, particularly for periods with similar operational schedule. COMOMAG Supply Officer will provide OPTARs based on this information and subject to available funds.

e. Determine, prioritize, and time-phase requirements. Department Heads and subordinates will decide and itemize all their requirements, considering the nature and purpose of funds and other special guidance in the budget call, historical data, critical equipment, maintenance schedule, special programs, centrally funded items for which they are responsible, etc. The requirements lists may include "nice to have" items in addition to essential items. Once requirements have been identified, associated prices should be determined or estimated. Accurate pricing is critical. Next, requirements should be prioritized and time-phased (determining the quarter in which procurement is desired).

f. Identify phased replacement requirements. Each item of equipment requiring replacement at regular intervals should be tracked utilizing a Phased Replacement Item Worksheet, Figure 9-4. Identification and tracking of phased replacement equipment enables proper financial planning and decreases the risk of mission degradation due to obsolete or inoperable equipment.

g. Review and approve your targets. This may require several meetings between CO/OIC, XO, and Department Heads. Although considerable time may be required, a sound plan can avert future crisis management.

h. Publish and execute the AFMP. Upon prioritization and approval of the time-phased requirements to be funded, the AFMP is issued for execution. Although a good financial management plan must be dynamic, its effectiveness and usefulness as a management tool is reduced if it is not monitored and enforced. Commanding Officers/Officers-in-Charge are responsible for monitoring execution of the

COMOMAGINST 4000.1P

14 Aug 02

AFMP. Figure 9-3 is a condensed sample AFMP containing all required elements.

5. Operating schedule changes, funding cuts or increases, and other events may make the AFMP obsolete before the year's end. Accordingly, update the plan quarterly and when major changes occur.

| ADMIN FUNDS | | 1st Quarter | | 2nd Quarter | | 3rd Quarter | | 4th Quarter | | |
|------------------------------|----------------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|--|
| 2 | Transportation of Things | | \$175 | | \$135 | | \$175 | | \$125 | |
| | FEDEX | \$50 | | \$35 | | \$50 | | \$35 | | |
| | U.S. Postage | \$125 | | \$100 | | \$125 | | \$90 | | |
| 3 | Rental of Equipment | | \$350 | | \$350 | | \$350 | | \$350 | |
| COMMONS 1000.1P 14 Aug 02 | Copier Rental | \$300 | | \$300 | | \$300 | | \$300 | | |
| | Pager Rental | \$50 | | \$50 | | \$50 | | \$50 | | |
| | | | | | | | | | | |
| 4 | Purchased Services | | \$3,040 | | \$2,360 | | \$3,180 | | \$2,330 | |
| | ADMIN Equipment | \$75 | | \$75 | | \$75 | | \$75 | | |
| | Maintenance | | | | | | | | | |
| | ADMIN Vehicle Rental | \$1,200 | | \$1,200 | | \$1,200 | | \$1,200 | | |
| | Linen Services | \$30 | | \$25 | | \$35 | | \$20 | | |
| | Training (Tuition) | \$300 | | \$100 | | \$275 | | \$100 | | |
| | Cable TV | \$60 | | \$60 | | \$60 | | \$60 | | |
| | Photo Services | \$50 | | \$25 | | \$50 | | \$0 | | |
| | Printing & Engraving | \$150 | | \$100 | | \$135 | | \$100 | | |
| | Pest Control | \$200 | | \$200 | | \$200 | | \$200 | | |
| | Trash Collection | \$375 | | \$375 | | \$375 | | \$375 | | |
| | Facilities Maintenance | \$600 | | \$200 | | \$775 | | \$200 | | |
| | * specify | | | | | | | | | |
| | Ground Maintenance | \$0 | | \$0 | | \$0 | | \$0 | | |
| | * specify | | | | | | | | | |
| 5 | Supplies | | \$2,070 | | \$1,140 | | \$1,545 | | \$1,115 | |
| | ADP Supplies | \$125 | | \$45 | | \$100 | | \$45 | | |
| | Standard Stock | \$1,200 | | \$600 | | \$700 | | \$600 | | |
| | Nonstandard Stock | \$650 | | \$400 | | \$650 | | \$375 | | |
| | Janitorial Supplies | \$95 | | \$95 | | \$95 | | \$95 | | |
| 6 | ADP (Requires N6 approval) | | \$0 | | \$0 | | \$0 | | \$0 | |
| | ADP Hardware | \$0 | | \$0 | | \$0 | | \$0 | | |
| | ADP Software | \$0 | | \$0 | | \$0 | | \$0 | | |
| 7 | Equipment/furniture | | \$1,375 | | \$0 | | \$1,150 | | \$0 | |
| | Equipment | \$175 | | \$0 | | \$250 | | \$0 | | |
| | * specify | | | | | | | | | |
| | Furniture | \$1,200 | | \$0 | | \$900 | | \$0 | | |
| | * specify | | | | | | | | | |
| 8 | Utilities | | \$330 | | \$330 | | \$330 | | \$330 | |
| | Steam | \$0 | | \$0 | | \$0 | | \$0 | | |
| | Electricity | \$0 | | \$0 | | \$0 | | \$0 | | |
| | Water | \$110 | | \$110 | | \$110 | | \$110 | | |
| | Sewage | \$220 | | \$220 | | \$220 | | \$220 | | |
| | Fuel (Heating) | \$0 | | \$0 | | \$0 | | \$0 | | |
| 9 | Communications | | \$675 | | \$620 | | \$630 | | \$620 | |
| | Base Phone Service | \$210 | | \$210 | | \$210 | | \$210 | | |
| | Phone Repairs | \$120 | | \$65 | | \$75 | | \$65 | | |
| | Cellular Phone Service | \$245 | | \$245 | | \$245 | | \$245 | | |
| | Internet Email Service | \$100 | | \$100 | | \$100 | | \$100 | | |
| | | | | | | | | | | |
| | Total ADMIN Request | | \$8,015 | | \$4,935 | | \$7,360 | | \$4,870 | |

Mine Maintenance Funds

| Wine Maintenance Fund | | | | | | | | |
|-----------------------------|---------|----------|---------|----------|---------|---------|---------|---------|
| 2 Purchased Services | | \$11,335 | | \$13,310 | | \$2,980 | | \$2,310 |
| Calibration | \$5,000 | | \$0 | | \$0 | | \$0 | |
| Test Equipment Repair | 700 | | 200 | | 200 | | 200 | |
| FCA Certification | \$3,000 | | \$0 | | \$0 | | \$0 | |
| Hazardous Waste Disposal | \$275 | | \$275 | | \$275 | | \$275 | |
| Material Handling Services | \$200 | | \$200 | | \$200 | | \$200 | |
| Other PS (specify) | \$60 | | \$60 | | \$60 | | \$60 | |
| Total | \$8,535 | | \$8,535 | | \$8,535 | | \$8,535 | |

COMOMAGINST 4000.1P
14 Aug 02

Figure 9-3 Annual Financial Management Plan (AFMP) Input

| <u>PHASED REPLACEMENT ITEM WORKSHEET</u> | | | | |
|--|------------------|-------------------------------|----------------|-------|
| Date_____ | | _____DEPARTMENT | | |
| FISCAL YEAR_____ | | | | |
| NOMENCLATURE_____ | | | | |
| NSN_____ | | | | |
| UNIT COST \$_____ | | EXPECTED SERVICE LIFE_____YRS | | |
| QTY ON HAND_____ | | | | |
| QUANTITY REQUIRED FOR IMMEDIATE REPLACEMENT | | \$_____ | | |
| ADDITIONAL QUANTITY REQUIRED FOR THIS FY | | \$_____ | | |
| TOTAL REPLACEMENT QUANTITY REQUIRED FOR THIS FY | | \$_____ | | |
| <u>QTY</u> | <u>UNIT COST</u> | <u>TOTAL COST</u> | <u>REQN NR</u> | |
| 1ST QTR | ___ | _____ | _____ | _____ |
| 2ND QTR | ___ | _____ | _____ | _____ |
| 3RD QTR | ___ | _____ | _____ | _____ |
| 4TH QTR | ___ | _____ | _____ | _____ |
| <hr/> | | | | |
| SUPPLY DEPARTMENT USE ONLY | | | | |
| MID-YEAR PHASED REPLACEMENT BUDGET CALL INFORMATION | | | | |
| UNFUNDED (STILL REQUIRED): QUANTITY | | _____ | | |
| TOTAL COST: | | \$_____ | | |

Figure 9-4. Phased Replacement Sheet

14 Aug 02

MOMAU TWO ANNUAL PHASED REPLACEMENT INPUT FOR FY03

| NOMENCLATURE | COST | YEAR | SERVICE | | | | | | |
|----------------|---------|-----------|---------|---------|---------|---------|------|---------|------|
| | | PURCHASED | LIFE | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 |
| SECURITY SAFES | \$2,420 | 1995 | 10 YRS | | | X | | | |
| CARPET CLEANER | \$329 | 1998 | 5 YRS | X | | | | | |
| STENCIL MAKER | \$750 | 1994 | 10 YRS | | X | | | | |
| AIR COMPRESSOR | \$1,700 | 1998 | 5 YRS | X | | | | | |
| SAND BLASTER | \$1,500 | 1998 | 5 YRS | X | | | | | |
| TOOL CHEST | 2,100 | 1995 | 10 YRS | | | X | | | |
| FLOOR BUFFER | \$900 | 2000 | 7 YRS | | | | | X | |
| WORK STATION | \$1,500 | 1997 | 10 YRS | | | | | X | |
| MICROWAVE OVEN | \$225 | 1999 | 5 YRS | | X | | | | |
| REFRIGERATOR | \$620 | 1995 | 10 YRS | | | X | | | |
| SHREDDER | \$1,200 | 1999 | 5 YRS | | X | | | | |
| AIR RATCHET | \$110 | 1998 | 5 YRS | X | | | | | |
| LAWN MOWER | \$350 | 2002 | 4 YRS | | X | | | | |
| WEED EATER | \$95 | 2002 | 4 YRS | | X | | | | |
| TYPE WRITER | \$609 | 1998 | 7 YRS | | | X | | | |
| | | | | | | | | | |
| TOTAL | | | | \$3,639 | \$2,320 | \$5,749 | \$0 | \$2,400 | |

Figure 9-5. Annual Phased Replacement Input

COMOMAGINST 4000.1P

14 Aug 02

MOMAU TWO ANNUAL TEMADD INPUT FY03

| PURPOSE | Date | # PEOPLE | AMOUNT | LOCATION | REMARKS |
|-----------------------------|-----------|----------|----------|----------------------|-----------------------|
| 1ST QUARTER | | | | | |
| KERNEL BLITZ | 03-08 OCT | 1 | \$600 | SAN DIEGO, CA | |
| RIMPAC | 11-17 NOV | 2 | \$2,100 | SAN DIEGO, CA | |
| ISSM | 01-21 DEC | 1 | \$1,987 | SAN DIEGO, CA | IT2 ZOE PRD 01/05 |
| 2ND QUARTER | | | | | |
| CFL | 01-06 FEB | 1 | \$1,100 | NORFOLK, VA | MN1 SANDERS PRD 08/04 |
| JTFEX | 11-12 FEB | 1 | \$500 | SAN DIEGO, CA | |
| 3RD QUARTER | | | | | |
| CO'S CONFERENCE | 04-10 APR | 1 | \$1,500 | CORPUS CHRISTI, TX | |
| CANADIAN FUN EXERCISE | 11-21 APR | 2 | \$3,600 | HALIFAX, NOVA SCOTIA | ONBOARD SHIP 3 DAYS |
| 4TH QUARTER | | | | | |
| UPC | 07-08 AUG | 1 | \$140 | SAN DIEGO, CA | MN1 JONES PRD 09/03 |
| TOTAL | | | \$11,527 | | |

Figure 9-6. Annual TEMADD Input

9300 OPERATING TARGETS (OPTAR)

OPTARS are established on the basis of historical requirements, obligation data, and available funding. Obligations/expenditures resulting from DLR carcass losses are considered one-time and are not carried forward as part of the new budget base. The establishment of an OPTAR is authorization for the recipient to place obligations against cited funds up to the amount of the OPTAR grant.

9301 OPTAR REALLOCATIONS AND AUGMENTATIONS

1. When requirements arise which cannot be funded from within the assigned OPTAR, a reallocation, advance, or augmentation may be requested. Reallocation involves the movement of funds between job orders within the same OPTAR. An augmentation is an increase in funds authorization for an OPTAR.

a. Lack of prioritizing is not justification for an augmentation.

b. All augmentations are granted for specific purposes and must be obligated for those purposes only.

c. OPTAR augmentations will not be granted to cover loss of material such as DLR carcass charges, tools, foul weather gear or any other charge resulting from negligence or failure to exercise judicious accountability and orderly replacement.

d. Before sending a reallocation or augmentation request, OPTAR holders will ensure a review of all outstanding requisitions over 90 days old is completed to purge invalid requirements and generate funds for reallocation. Cancellation action should be initiated immediately for requisitions found to be invalid.

2. Augments. Forward requests for OPTAR augments to COMOMAG via message in the format in Figure 9-7:

a. Number of augments requested fiscal year-to-date

b. Amount requested

c. Total OPTAR granted fiscal year-to-date

d. Available balance at time of the request

e. Date of last internal MOV (must be within last 30 days)

f. Money value of confirmed cancellations as a result of the last MOV

g. Money value of confirmed cancellations as a result of MOV fiscal year-to-date

h. Brief justification and description of basis for special authorization requests. Indicate national stock numbers, services, and open purchase requirements in excess of \$500 unit price. Explain why budgeted OPTAR is inadequate, alternatives, and the impact on operational readiness if this request is not granted.

3. Reallocations. Forward requests for OPTAR reallocation to COMOMAG via message in the format in Figure 9-8:

a. Authorization number/title

b. Amount of increase/decrease (total of increases and decreases should be equal)

c. A required brief description of circumstances necessitating reallocation

```
R 101540 JUL 02 ZYB PSN 045955J28
FM MOMAU TWO LAS VEGAS NV//00/N4//
TO COMOMAG CORPUS CHRISTI TX//N4//
BT
UNCLAS //N07000//
MSGID/GENADMIN/MOMAU TWO/-/JUL//
SUBJ/AUGMENT REQUEST//
REF/A/DOC/COMOMAG/980215//
POC/G. C. DAVIS/SK1/COMOMAG/-/TEL: (910) 555-1212/TEL:DSN: 321-1212//
AMPN/REF A IS COMOMAG 4000.1M.//
RMKS/1. PER REF A, REQUEST AUGMENT OF ADMIN FUNDS AS FOLS:
A. NUMBER OF AUGMENTS REQUESTED FYTD: 0
B. AMOUNT REQUESTED:
  AUTH                                AMOUNT
  000006/SUPPLIES                      500
  000003/RENTAL OF EQUIPMENT           500
  TOTAL REQUESTED                      1,000
C. TOTAL ADMIN OPTAR GRANT FYTD: 52,000
D.AVAILABLE ADMIN OPTAR BALANCE AT TIME OF REQUEST: 230
E. DATE OF LAST INTERNAL MOV: 08 JUN 02
F. MONEY VALUE OF CONFIRMED CANCELLATIONS AS A RESULT OF LAST MOV: 0
G. MONEY VALUE OF CONFIRMED CANCELLATIONS AS A RESULT OF MOV FYTD: 0
H. JUSTIFICATION: ADDITIONAL FUNDS REQUIRED TO COVER PURCHASE OF
MISCELLANEOUS OFFICE SUPPLIES AND UNPLANNED INCREASE IN COPIER RENTAL
FEES.
2. REMARKS: NONE
```

Figure 9-7. Sample OPTAR Augment Request

COMOMAGINST 4000.1P
14 Aug 02

9302 OVER-OBLIGATION OF FUNDS/PRIOR YEAR SOLVENCY

1. Commanding Officers/Officers-in-Charge are responsible for ensuring total obligations do not exceed total funds granted in any assigned OPTAR (current and five prior fiscal years). In emergency situations, the Commanding Officer/Officer-in-Charge may exceed the OPTAR to prevent mission curtailment or other operational commitment. Report any over-obligations by priority message to COMOMAG Supply Officer advising:

a. Amount of over-obligation. Update when amount changes by \$500.

b. Details of cause for exceeding assigned OPTAR and, if applicable, plan(s) for corrective action.

c. Description of action taken to reduce the over-obligation situation (if applicable).

2. Prior Year Solvency. OPTAR holders are required to maintain financial solvency for the current and five prior fiscal years. Aggressive MOV action is critical to maintain this solvency.

```
R 101540 JUL 02 ZYB PSN 045955J28
FM MOMAU TWO LAS VEGAS NV//00/N4//
TO COMOMAG CORPUS CHRISTI TX//N4//
BT
UNCLAS //N07000//
MSGID/GENADMIN/MOMAU TWO/-/JUL//
SUBJ/REALLOCATION REQUEST//
REF/A/DOC/COMOMAG/980215//
POC/G. C. DAVIS/SK1/COMOMAG/-/TEL: (910) 555-1212/TEL:DSN: 321-1212//
AMPN/REF A IS COMOMAG 4000.1M.//
RMKS/1. IAW REF A, REQUEST REALLOCATION OF MINE MAINTENANCE FUNDS AS
FOLS:
```

| AUTH | INCREASE | DECREASE |
|--------------------------|----------|----------|
| 000003/CONSUMABLES | | 500 |
| 000004/MATERIAL HANDLING | 500 | |
| TOTAL | 500 | 500 |

2. REALLOCATION REQUIRED DUE TO UNFORSEEN INCREASE IN FORKLIFT RENTAL RATES.//

Figure 9-8. Sample OPTAR Reallocation Request

9400 USE OF FUNDS

The assignment of an OPTAR grant constitutes authority to incur obligations for the operation and maintenance of the unit/detachment. The determination, classification, and management of OPTAR charges requires amplification and guidance which is provided in Appendix A, Tables A-1 and A-2 and in the following paragraphs.

9401 TRANSPORTATION

Units/detachment will use admin funds for all vehicle rentals operated for administrative support. Units/detachment will use maint funds for all vehicles used in direct support of mine maintenance, e.g., pick-ups, etc. Costs associated with repair of a damaged vehicle will be charged to the fund used to rent that vehicle. Insurance for collision/damage waiver and personal accident coverage is not authorized because the government is self-insured.

1. Vehicle rentals should be kept to the minimum number required to support the unit.
2. Confirm non-availability of government agency motor pool resources before renting vehicles from commercial sources.
3. Rental vehicles will not be used for personal business or convenience.
4. Government supported fare-free domicile-to-work mass transportation is strictly prohibited for DOD personnel, with the exception of BQ personnel with no other means of transportation from the work place.

9402 COMMUNICATIONS/TELEPHONE SERVICE

Telephone services, DSN service, cellular phones, and toll call costs are chargeable to the admin funds. All unauthorized telephone charges should be investigated to determine responsibility. Persons found placing unauthorized calls are subject to disciplinary action and reimbursement of costs, plus applicable federal and state taxes reflected on the bill. Reimbursements should be forwarded to the billing activity by certified check or money order made payable to the "Treasurer, U.S. Government." For additional information on proper use of DON telephones, see reference (w).

9403 HABITABILITY

The Commanding Officer/Officer-in-Charge may budget and expend limited admin funds for habitability projects considered necessary for the comfort and morale of the crew. The following guidelines apply:

14 Aug 02

1. Do not expend funds for decoration/rehabilitation solely for reasons of personal taste. Procurement of custom paintings, dishes, linens, and other decorative material without COMOMAG approval is prohibited.

2. Self-help projects are encouraged. Tapping into the talents of personnel at each unit/detachment can save critical funding and improve facilities for better quality of life.

9404 OMBUDSMAN PROGRAM

1. The CO/OIC at each unit/detachment has the authority to reimburse the Ombudsman using appropriated funds. Reference (w) provides policy for the Family Ombudsman Program. Support for each command's Ombudsman is the responsibility of that command and is a proper charge to admin OPTAR with available funding.

2. Reimbursement is limited to four expense categories, child care, automobile mileage, parking/vehicle tolls, and telephone calls. Upon approval of reimbursement, the CO/OIC must decide whether appropriated, non-appropriated, or other available funding sources will provide payment. The Ombudsman reimbursement program shall be incorporated into the command's Annual Financial Management Plan.

3. Claims for reimbursement using appropriated funds shall be submitted on Standard Form 1164, Claim for Reimbursement for Expenditures on Official Business. Claims will briefly describe the event or function for which reimbursement is sought or summarize expenses for any given month. The CO/OIC will sign as the approving officer.

4. Commands shall continue to provide support to the Ombudsman, e.g., paper envelopes, pens, copier service, clerical assistance, use of government phones and command telephone credit cards, and government vehicle transportation from command OPTARs as resources permit. Local command recreation funds may be used to purchase a telephone answering machine, however, a separate phone line in the Ombudsman home may not be funded with either appropriated or non-appropriated funds.

9500 SUPPLY FINANCIAL REPORTING

1. Supply reporting occurs through a weekly FASTDATA accounting batch download using Streamline Automated Logistics Transmission System (SALTS). It is imperative that units/detachment submit all reports in a timely manner. The CO/OIC is responsible for ensuring alternate arrangements are made during the planned or unplanned absence of a Storekeeper to ensure continued adherence to the required schedule.

a. FASTDATA Accounting Batch Downloads:

(1) Units/detachment must perform a current fiscal year accounting batch download to COMOMAG via SALTS each Wednesday by 1200 U.S. Central time. Overseas units/detachment should transmit files at such a time to ensure receipt at COMOMAG on Wednesday. **If SALTS is not available, use e-mail.** The current fiscal year download should include the document status log in JON sequence and the outstanding OPTAR Report. In the event that a federal holiday occurs on a Wednesday, perform the download on the last workday preceding the holiday.

(2) Prior fiscal years accounting batch downloads must be performed for each prior fiscal year still on record in FASTDATA. They will be performed only on the third Wednesday of each month. Prior year downloads will include the Outstanding OPTAR Report and Document Status Log in JON sequence. Ensure that the proper fiscal year is selected by using the F7 key when preparing these reports.

b. File naming conventions. The filename for the ".zip" file sent to COMOMAG should be in the format displayed in Figure 9-9:

(1) The first character is the last digit of the fiscal year for the financial data contained (e.g., "2" for FY02 "3" for FY03).

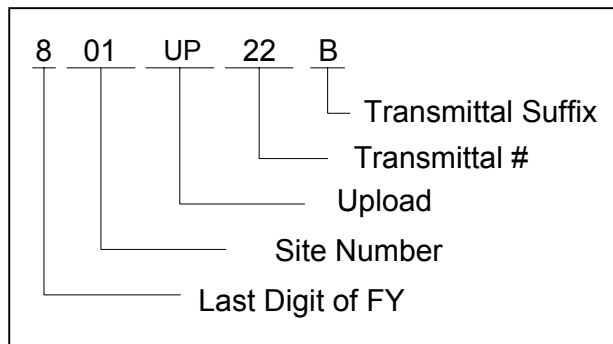
(2) The next two characters are simply a two-digit representation of the site number (e.g., "03" for MOMAU Three, "11" for MOMAU Eleven).

(3) The 4th and 5th characters are always "UP" for files sent to COMOMAG.

(4) The next two characters represent the transmittal period. The first Wednesday of each fiscal year will be "01" and will be incremented each Wednesday regardless of whether or not a TL is actually processed.

(5) The final character is the transmittal suffix. The suffix "A" will be assigned to the initial file transmittal of each period (Wednesday through Tuesday). If additional transmittals are required prior to the next Wednesday, they will be labeled sequentially from "B" through "Z" as required.

Figure 9-9. Accounting Batch File Name Construction



2. COMOMAG Downloads. Two recurring files are provided to units from COMOMAG:

a. DFAS expenditures are routed when received and should be processed by units prior to the weekly accounting batch download.

b. COMOMAG Comptroller data is routed as required for any necessary changes in funding, security, etc. The unit/detachment SALTS mailbox should be checked daily to ensure the most current financial information is available in FASTDATA.

9600 REIMBURSABLE OPTARS

1. Situations frequently arise where units are engaged in specific operations involving funding responsibility of activities outside the normal funding chain.

2. A reimbursable work order is a request for services to be performed by one activity for another activity. The accepted work order is the basic authority to perform work and incur related costs. Reimbursable orders can only be accepted by COMINEWARCOM. Accepted reimbursable orders are passed to units via COMOMAG in the form of a reimbursable OPTAR. Specific accounting procedures will be provided when the reimbursable OPTAR is furnished.

3. Expenditure of these funds may take place at the staff or unit level, depending on the specific circumstances. When a reimbursable OPTAR is provided the unit, separate records/files are required. Under no circumstances, including differences, will reimbursable OPTARs be over-obligated.

4. Recapture of Funds. Since reimbursable orders cite funds of other activities, every effort must be made to complete work, finalize accounting, and return unused funds to the issuer for reprogramming.

Upon completion or 45 days prior to the end of the fiscal year, whichever is sooner, each activity will notify the COMOMAG Supply Officer of reimbursable funds available for recoupment or reprogramming into the subsequent fiscal year. Before offering funds for recoupment, reimbursable OPTAR holders will reserve sufficient funds to cover possible differences resulting from unmatched expenditures.

9700 CONTINUING SERVICES

1. Continuing services are services for which funding documents are established each year and for which billing occurs on a periodic basis. Continuing services include all utilities (electricity, water, steam, sewage), open-ended Public Works work requests, vehicle rental charges (including admin vehicles, maintenance vehicles, and MHE), communications charges, and all other services that are billed periodically.

2. It is imperative that each unit/detachment institute procedures for accurately tracking obligation and billing data for continuing services using a tracking sheet in the format of Figure 9-10. These continuing services tracking sheets should be used to post initial obligations, amendments, and periodic (monthly/quarterly) bills that are received. A running, up-to-date balance should always be available for budget planning purposes.

9701 CONTINUING SERVICES REVIEW

1. An internal review of continuing services funds status should be conducted at the end of each quarter in conjunction with AFMP revisions for each subsequent quarter. This review will allow early identification of funding deficiencies and revision of budget requirements.

2. A formal continuing services review must be conducted at the end of the second and third quarters for submission to COMOMAG. Reviews for the end of the second quarter will be submitted in conjunction with third quarter AFMP inputs, and reviews for the end of third quarter will be submitted in conjunction with fourth quarter AFMP inputs.

| CONTINUING SERVICE CONTROL RECORD | | | | | |
|-----------------------------------|------------------|-------------|-----------------|-------------|----------|
| DOCUMENT NUMBER: | | | N5555599WR5R001 | | |
| DESCRIPTION: | | | Electricity | | |
| JOB ORDER NUMBER: | | | N5555592KXM2 | | |
| DATE | AMEND. NUMBER | OBLIG. AMT | EXP. AMT | BALANCE | REMARKS |
| OCT01 | 00 | \$10,000.00 | | \$10,000.00 | Initial |
| OCT01 | | | \$2,858.45 | 7,141.55 | Oct bill |
| NOV01 | | | 2,858.45 | 4,283.10 | Nov bill |
| DEC01 | | | 2,858.45 | 1424.65 | Dec bill |
| JAN02 | 01 | 7,200.00 | | 8,624.65 | 2nd Qtr |
| JAN02 | | | 2,858.45 | 5,766.20 | Jan bill |
| FEB02 | | | 2,858.45 | 2,907.75 | Feb bill |
| MAR02 | | | 2,858.45 | 49.30 | Mar bill |
| APR02 | 02 | 8,530.00 | | 8,579.30 | 3rd Qtr |
| APR02 | | | 2,858.45 | 5,720.85 | Apr bill |
| MAY02 | | | 2,858.45 | 2,862.40 | May bill |
| JUN02 | | | 2,858.45 | 3.95 | Jun bill |
| JUL02 | 03 | 8,572.00 | | 8575.35 | 3rd Qtr |
| | | | | | |

Figure 9-10. Continuing Services Control Record

3. The following is a suggested procedure for review of each continuing service:

a. Verify that billings received are up-to-date, i.e., that a bill has been received for all prior months of the fiscal year.

b. Calculate the average billing per month. (An increase in electricity use for air conditioning in the summer months if necessary.)

c. Multiply the average billing amount from above by twelve months. This is how much is needed for the year to cover the costs.

d. Determine the current budgeted amount per current AFMP and calculate the difference.

e. Submit this data to COMOMAG Supply Officer in conjunction with AFMP inputs (2nd and 3rd quarter only) and update your AFMP accordingly.

9800 SPECIAL PROJECTS

Any projects a unit/detachment are researching and would like to submit for future funding should do so by using the format in figure 9-10 and forwarding to COMOMAG Supply Officer.

9801 FUNDING OF PROJECTS

COMOMAG operates with limited funding sources. However, in some cases there are other commands and activities that will fund or assist in funding certain projects. It is advised to always have at least one project you would like to have funded fully researched. This means having all the necessary information required, such as three estimates if over \$2,500 on hand. If funding is received at the end of the fiscal year, it must be obligated quickly. If research still has to be performed and estimates received, you will probably not be able to do so in time.